

## **CMS-1500 (08/05) Invalid Paper Form Frequently Asked Questions (FAQs)**

Q 1) I received an email that said that some invalid CMS-1500 (08/05) forms were printed which may reject if submitted to Medicare. I didn't see any information on the CMS website about this on March 9<sup>th</sup> when I received the email. Can you confirm that the email came from CMS and is correct?

A 1) Yes, it was sent by CMS and it is correct. Due to the approaching April 1 deadline for rejection of CMS-1500 (12/90) forms, we wanted to get information to physicians, practitioners and suppliers who might be affected by this problem as quickly as possible. A provider list serve is maintained by the Provider Outreach Group in CMS. We used that list serve to send the March 9<sup>th</sup> email as that was the fastest way to spread the message. Since March 9, we have also posted information on the CMS web site ([www.cms.hhs.gov](http://www.cms.hhs.gov); click on the CMS-1500 listing in the highlight box on the opening page of the Web site to obtain this information), are in the process of publishing a One Time Notice (OTN) that will be available in Publication 100-20; and have discussed this with the Medicare contractors, the Government Printing Office, the National Uniform Claims Committee (NUCC) and the company engaged by the NUCC to produce the printing specifications for the new form. We are trying to resolve the problem, and determine its scope as well as spread the information to as many CMS-1500 users as possible. A Med Learn Matters article will be issued very soon, following final clearance of the OTN.

Q 2) What is the actual problem?

A 2) There appear to be a couple of problems. Some entities printed CMS-1500 forms using the example posted in the forms section of the CMS Web site. That form was not intended for use in this way as it does not contain the "drop out" ink colors that are needed to enable the data on claims submitted with those copies to be read by the optical character recognition (OCR) equipment used for entry of most paper claims to the Medicare adjudication system. That form is also not to scale. The second problem which was mentioned in the March 9<sup>th</sup> email involves misalignment of the printed forms. In most cases, it appears that the "crop marks" create a top margin that is too short and a bottom margin that is too long. As result, when the forms are fed into certain types of OCR equipment, the claim data is not located in the precise location where that equipment is programmed to look for that data, resulting in rejection of those paper claims as the OCR equipment concludes that required data elements are missing.

Q 3) Do the problems apply to all insurers or just to Medicare?

A 3) To the extent other insurers accept the CMS-1500 (08/05) form, these problems could also be experienced by those other insurers. We can only address the problems as they apply to Medicare though. If other insurers experience these problems, they will need to notify submitters of the misprinted forms themselves.

Q 4) What are physicians, practitioners, suppliers and billing agents who have had their paper claims rejected by a Medicare contractor because they were submitted on invalid CMS-1500 (08/05) forms supposed to do so they can be paid?

A 4) They need to contact the organization, person, store or printer from whom they obtained their paper forms to let them know that Medicare considers their forms to be invalid and to ask what provisions will be made for replacement of the invalid forms with valid forms. In the event the seller is not aware that their forms are invalid, it may take that seller some time to print enough paper forms to replace the invalid stock that was sold. That seller should at least stop selling any invalid forms that may still be in their inventory. The claim submitters can use the CMS-1500 (12/90) stock and software to resubmit those claims if still able to produce paper claims in that version and the submitters prefer not to wait until replacement forms are available. Medicare will not begin to reject those forms beginning April 1, 2007 as originally planned. We expect to continue to accept those forms until at least June 1, while we take action

to get misprinted forms off the market and to have them replaced by valid forms. Medicare will continue to accept paper claims using the 12/90 version of the CMS-1500 without NPIs. We will provide advanced notice to the health care industry of the new termination date for the 12/90 version CMS-1500 once the problem is resolved.

Q 5) How does this affect the NPI implementation date of May 23, 2007.

A 5) This issue applies only to certain CMS-1500 paper forms and does not involve the institutional paper claims form (CMS-1450/UB-04) or the electronic claim formats adopted as national standards under HIPAA. More than 99 percent of the institutional claims and more than 92 percent of the professional claims sent Medicare are transmitted electronically using a HIPAA adopted format. Although Medicare has elected to require NPIs on paper claims as well as on electronic claims, the HIPAA NPI regulation does not require use of NPIs on paper claim forms. As result, CMS has more discretion concerning whether and when to require NPIs on paper claims. This CMS-1500 (08/05) issue will not result in delay of the date by which NPIs must replace provider legacy identifiers on valid CMS-1500 (08/05) forms or on UB-04, X12 837 version 4010A1 or NCPDP HIPAA version claims.

Q 6) Where do I place the NPI on the old 1500 form?

A 6) The old form does not have fields for reporting of NPIs. As result, those individuals who continue to use the 12/90 version of the CMS-1500 will not be required to report NPIs on the claims they submit using the old form.

Q 7) Is the June 1, 2007 date firm or simply a target?

A 7) It is currently a “target” date. Once a final decision has been made, the actual date will be communicated.

Q 8) Can you direct me to a print vendor where I can purchase valid CMS-1500 (08/05) forms?

A 8) CMS does not license or collect information on those printers that produce copies of the paper claim forms. As result, we cannot advise which printers or vendors have valid copies of the CMS-1500 (08/05) and which do not. There is nothing on the invalid forms that rejected to date that identifies the printer(s) of those forms. As result, we must rely on those providers, whose paper claims have been rejected by a Medicare contractor as invalid, to advise the entity from which they purchased their forms that they are invalid. The Government Printing Office (GPO) does sell printed forms as well as negatives of the form for use by printers. GPO stopped selling the forms as soon as the misalignment problem was detected. GPO is in the process of replacing their stock with valid forms but we do not yet know when the valid forms will be available for sale by the GPO.

Q 9) The 1500 form is no longer posted to the CMS forms Web site. When will it be posted again?

A 9) We are working to have a corrected form posted there, but this form cannot be used for submission of CMS-1500 (08/05) claims. It is posted at that site so providers can see what the new form looks like. The form on the CMS Web page is not to scale and is not printed in the “drop out” ink color required to enable those claims to be read by OCR equipment. No provider or printer should ever produce that form using the copy on the CMS Web page. This same principal applied to the CMS-1500 (12/90) version of the form.

Q 10) I purchased forms and they appear correct. Can you tell by looking at a 08/05 version of the form if it is not valid?

A 10) The specific formatting issue we have seen involves top and bottom margins only, but the problem may not be limited to only the top and bottom margins. The best way to identify these is by looking at the upper right hand corner of a form. If the tip of the red arrow above the vertically stacked word “CARRIER” is touching or close to touching the top edge of the form, then the form is not printed to specifications. There should be approximately one quarter of one inch between the tip of the arrow and the top edge of the paper on a properly formatted form.

Q 11) Our 08/05 version forms are valid; can we use them now or should we wait?

A 11) If your forms are valid, insofar as they have not been rejected by any Medicare contractor, you should continue to submit claims using those copies of the form.

Q 12) I generally bill electronically but I have not been able to obtain NPIs for each of the providers identified on my claims, such as a supervising physician or a purchased services provider. Since you will not begin to reject CMS-1500 (12/90) version forms that lack NPIs effective May 23, 2007, can I use that form to submit claims to Medicare when I do not know the NPI of one or more providers involved with a patient’s care?

A 12) The Administrative Simplification Compliance Act (ASCA) requires that providers submit claims to Medicare electronically to be considered for payment, except in very limited situations, such as when a practice that submits CMS-1500 forms has fewer than 10 full-time equivalent employees. If the submitter of a paper form has been reviewed by Medicare and it was determined the provider does not qualify for an exception from the ASCA requirement, any paper claims submitted by or for that provider will be denied. No provider that does not meet ASCA exception criteria may submit paper claims, even if they do not know the NPI of one or more providers that must be identified on a claim sent to Medicare. Information on ASCA, the exception criteria and ASCA reviews can be viewed at [www.cms.hhs.gov/manuals](http://www.cms.hhs.gov/manuals) by clicking on Internet Only Manuals, selecting Publication 100-04 on the next page and then scrolling to chapter 24. The ASCA information is in sections 90-90.6 of that chapter.